

Message Text

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ACTION EUR-25

INFO OCT-01 ADP-00 EB-11 COME-00 SCEM-02 CEQ-02 EPA-04

INT-08 SCI-06 NSF-04 TRSE-00 CIAE-00 DODE-00 PM-07

H-03 INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01

SS-15 SSO-00 NSCE-00 USIE-00 INRE-00 RSR-01 /117 W

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FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC IMMEDIATE 1378

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E.O. 11652: N/A

TAGS: ENRG, CA, US

SUBJECT: ARCTIC PIPELINES

FOLLOWING IS FULL TEXT OF ARTICLE IN OTTAWA JOURNAL OF JULY 20
BY JEFF CARRUTHERS HEADED "SHARP, MACDONALD UNDER FIRE IN PIPE-
LINE POSITION". BEGIN QUOTE

INSIDE THE COMMONS WEDNESDAY, EXTERNAL AFFAIRS MINISTER
MITCHELL SHARP ANSWERED OPPOSITION CRITICISMS ABOUT THE GOVERNMENT'S
HANDLING OF INFORMING THE U.S. ABOUT CANADA'S FULL POSI-
TION ON A MACKENZIE VALLEY OIL PIPELINE BY STATING THAT CANADA'S
COMPLETE POSITION HAD BEEN MADE PERFECTLY CLEAR AND HAD BEEN
FULLY UNDERSTOOD FOR "MANY MONTHS" BY CANADIANS, BY THE U.S.
STATE DEPARTMENT AND BY THE U.S. CONGRESS.

DURING THE SAME QUESTION PERIOD, WHICH PROVIDED A NUMBER OF
ROUGH MOMENTS FOR THE LIBERALS, ENERGY MINISTER DONALD MACDONALD
TOLD THE HOUSE THAT EVERYTHING CONTAINED IN THE RECENT ANSWERS
SENT BY CANADA TO THE STATE DEPARTMENT WAS INFORMATION AND POLICY
THAT HAD BEEN ANNOUNCED PUBLICLY BEFORE. MOST OF IT HAD BEEN
CULLED FROM STATEMENTS MADE IN THE COMMONS, HE SAID.

YET, OUTSIDE THE COMMONS, BOTH MR. SHARP AND MR. MACDONALD
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SAID THEY COULD NOT REMEMBER ONE PARTICULAR CANADIAN POSI-

TION EVER HAVING BEEN STATED PUBLICLY, EITHER IN THE COMMONS OR IN PUBLIC BY GOVERNMENT MINISTERS.

THE CANADIAN POSITION IN QUESTION WAS THE ONE ADDED BY THE GOVERNMENT ABOUT JULY 6 TO THE ANSWERS SENT TO THE U.S. STATE DEPARTMENT.

IT WAS THE CANADIAN POSITION THAT THE GOVERNMENT WOULD NOT REQUIRE 51 PERCENT CANADIAN OWNERSHIP OF AN OIL PIPELINE USING CANADA AS A "LAND BRIDGE" TO CARRY ALASKAN OIL TO SOUTHERN U.S. MARKETS.

IT WAS THE SAME POSITION WHICH OBSERVERS IN WASHINGTON SUGGESTED COULD HAVE BEEN CRITICAL TO THE OUTCOME OF A SENATE DEBATE ON THE TRANS-ALASKA PIPELINE, HAD THE POSITION BEEN KNOWN BY SENATORS SEVERAL WEEKS EARLIER.

AND IT WAS THE CONTROVERSIAL MODIFICATION IN THE ORIGINAL CANADIAN ANSWERS ON MACKENZIE VALLEY PIPELINES THAT TOOK SO LONG GETTING TO THE U.S. CONGRESS - 10 DAYS AFTER THE DECISION TO MAKE THE CHANGE WAS MADE BY OTTAWA, AND 20 DAYS AFTER THE FIRST SET OF "AMBIGUOUS" ANSWERS WERE DELIVERED TO THE U.S. EMBASSY IN OTTAWA, JUNE 27.

MR. MACDONALD RECALLED WEDNESDAY THAT THE PARTICULAR POSITION ON OWNERSHIP OF SUCH AN OIL PIPELINE HAD BEEN ARRIVED AT THE PREVIOUS SUMMER.

HE SAID HE COULD NOT RECALL IT BEING STATED PUBLICLY.

HE EXPLAINED "THE QUESTION NEVER CAME UP."

HE ALSO COULD NOT SPECIFICALLY REMEMBER MENTIONING IT TO U.S. SECRETARY OF THE INTERIOR ROGERS MORTON IN A MEETING IN MAY, 1972, WHEN THE REST OF CANADA'S POSITION ON MACKENZIE VALLEY PIPELINES WAS SUPPOSEDLY MADE PERFECTLY CLEAR.

ON THE ISSUE OF THE DELAY IN PASSING THE CHANGED CANADIAN POSITION ON TO THE U.S. STATE DEPARTMENT EARLIER THIS MONTH, MR. MACDONALD SAID HE COULD NOT AGREE WITH THE CONTENTION BY THE OPPOSITION THAT CANADA HAD TO SEND A MODIFIED POSITION THROUGH CHANNELS AND IN WRITING FOR THE U.S. STATE DEPARTMENT TO ACCEPT

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IT.

HE SAID THE STATE DEPARTMENT COULD HAVE OBTAINED A WRITTEN VERSION FROM THE CANADIAN EMBASSY IN WASHINGTON ON JULY 6, THE DAY THE CHANGE WAS MADE IN PUBLIC IN CANADA, IF THE STATE DEPARTMENT HAD WANTED TO.

"THEY DIDN'T HAVE TO BALK AT THE FORMALITY" IF THEY HAD

WANTED TO MAKE CANADA'S POSITION CLEAR TO CONGRESS, HE SAID.

CANADA HAD BEEN LED TO BELIEVE BY THE STATE DEPARTMENT THAT THE CORRECTED VERSION OF CANADA'S ANSWERS WOULD BE PASSED ON TO THE U.S. CONGRESS EARLY THE NEXT WEEK, MR. MACDONALD SAID.

ON JULY 9, WHEN THE UNCORRECTED VERSION WAS PRINTED IN THE U.S. CONGRESSIONAL RECORD, CANADIAN OFFICIALS CALLED THE STATE DEPARTMENT TO FIND OUT WHAT HAPPENED, ACCORDING TO THE MINISTER.

THE U.S. STATE DEPARTMENT THEN SAID CANADA HAD TO SEND A LETTER OUTLINING THE CHANGE, HE SAID.

THIS WAS THE REASON CANADA DID NOT DRAFT A LETTER UNTIL JULY 10.

THE LETTER, OUTLINING CANADA'S CHANGED POSITION, WAS RECEIVED BY THE U.S. EMBASSY THE NEXT DAY, AND RELAYED BY MAIL TO THE U.S. STATE DEPARTMENT.

OPPOSITION LEADER ROBERT STANFIELD TERMED THE WHOLE PROCESS "SLOPPY," ADDING THAT THERE HAD BEEN NO PROPER CANADIAN FOLLOW-UP, TO MAKE SURE THE CORRECTED POSITION HAD BEEN RECEIVED AND PASSED ON. END QUOTE.
JOHNSON

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